P1, P2 9lr3008 CF SB 556

By: Delegates Conway, Aumann, Bohanan, Branch, G. Clagett, DeBoy, Gaines, Griffith, Haynes, James, Jones, Levy, Malone, Mathias, McIntosh, O'Donnell, Proctor, Robinson, Rudolph, Shank, and Wood

Introduced and read first time: February 13, 2009

Assigned to: Appropriations

A BILL ENTITLED

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L	AIN	ACT	concerning

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State Funding Accountability Act

- 3 FOR the purpose of requiring certain grantees that receive certain State aid to submit 4 a report to the Department of Budget and Management by a certain date; requiring the report to contain certain information and be provided in a certain 5 6 form; requiring the Department to develop and operate a certain searchable 7 website providing certain information; authorizing the Office of Legislative 8 Audits to conduct certain audits of certain grantees that receive at least a 9 certain appropriation or grant in the operating or capital budget or from the action of a unit of State government; requiring the Office of Legislative Audits 10 to identify for a certain audit a certain percentage of grantees each year; 11 12 defining certain terms; and generally providing for the reporting and auditing of certain grantees receiving certain State aid. 13
- 14 BY adding to
- 15 Article State Finance and Procurement
- 16 Section 7–406
- 17 Annotated Code of Maryland
- 18 (2006 Replacement Volume and 2008 Supplement)
- 19 BY repealing and reenacting, with amendments,
- 20 Article State Government
- 21 Section 2–1220(b)
- 22 Annotated Code of Maryland
- 23 (2004 Replacement Volume and 2008 Supplement)
- 24 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
- 25 MARYLAND, That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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Article - State Finance and Procurement 1 2**7–406.** (A) 3 **(1)** IN THIS SECTION THE FOLLOWING WORDS HAVE THE 4 MEANINGS INDICATED. 5 **(2)** "DEPARTMENT" MEANS THE DEPARTMENT OF BUDGET AND 6 MANAGEMENT. 7 "GRANTEE" MEANS A FOR PROFIT OR NONPROFIT **(3) (I)** 8 ENTITY OR ASSOCIATION THAT RECEIVES STATE AID DURING A FISCAL YEAR. 9 (II) "GRANTEE" DOES NOT INCLUDE A UNIT OF STATE OR 10 LOCAL GOVERNMENT. 11 "STATE AID" MEANS A CONTRIBUTION, GRANT, OR SUBSIDY 12 OF MONEY PROVIDED THROUGH THE STATE OPERATING OR CAPITAL BUDGET 13 OR BY THE ACTION OF A UNIT OF STATE GOVERNMENT FROM STATE FUNDS 14 APPROPRIATED TO THAT UNIT. **(1)** 15 (B) A GRANTEE SHALL SUBMIT A REPORT AS PROVIDED IN THIS 16 SUBSECTION TO THE DEPARTMENT ON OR BEFORE SEPTEMBER 1 AFTER THE 17 CLOSE OF EACH FISCAL YEAR IN WHICH THE GRANTEE RECEIVES STATE AID. 18 **(2)** THE REPORT SHALL CONTAIN: 19 (I)A SUMMARY OF THE PURPOSE FOR WHICH THE STATE 20AID WAS PROVIDED; 21THE NUMBER OF JOBS CREATED OR RETAINED AS A 22RESULT OF THE STATE AID: 23(III) THE AMOUNT AND SOURCE OF ANY FUNDS OTHER THAN 24STATE AID THE GRANTEE WAS ABLE TO SECURE FOR THE PURPOSE FOR WHICH 25THE STATE AID WAS PROVIDED OR AS A RESULT OF THE STATE AID;

27 CITIZENS OF THE STATE; AND

(IV) A DESCRIPTION OF HOW THE STATE AID SERVED THE

28 (V) THE NUMBER OF CITIZENS SERVED AS A RESULT OF THE 29 STATE AID.

- 1 (3) THE REPORT SHALL BE IN THE FORM AND FORMAT, 2 INCLUDING ELECTRONIC FORMAT, THAT THE DEPARTMENT REQUIRES.
- 3 (C) (1) THE DEPARTMENT SHALL DEVELOP AND OPERATE A SEARCHABLE WEBSITE, ACCESSIBLE TO THE PUBLIC AT NO COST THROUGH THE
- 5 INTERNET.
- 6 (2) THE SEARCHABLE WEBSITE SHALL CONTAIN THE
- 7 INFORMATION REQUIRED UNDER SUBSECTION (B) OF THIS SECTION AND BE
- 8 SEARCHABLE BY THE NAME OF THE GRANTEE OR BY THE GENERAL SUBJECT
- 9 MATTER OF THE STATE AID.
- 10 (D) A GRANTEE IS SUBJECT TO AUDIT BY THE STATE LEGISLATIVE
- 11 AUDITOR AS PROVIDED UNDER § 2–1220(B) OF THE STATE GOVERNMENT
- 12 ARTICLE.

13 Article - State Government

- 14 2–1220.
- (b) (1) If the General Assembly, by resolution, or the Joint Audit
- 16 Committee so directs, the Office of Legislative Audits shall conduct an audit or review
- of a corporation or association to which the General Assembly has appropriated money
- or that has received funds from an appropriation from the State Treasury.
- 19 (2) THE OFFICE OF LEGISLATIVE AUDITS MAY CONDUCT AN
- 20 AUDIT OR REVIEW OF THE USE OF STATE AID BY A GRANTEE AS DEFINED IN §
- 21 7-406 OF THE STATE FINANCE AND PROCUREMENT ARTICLE AND THE
- 22 ACCURACY OF THE REPORT FILED UNDER § 7-406 OF THE STATE FINANCE AND
- 23 PROCUREMENT ARTICLE IF THE GRANTEE IS APPROPRIATED OR GRANTED
- 24 MORE THAN \$100,000 IN THE STATE OPERATING OR CAPITAL BUDGET OR BY
- 25 THE ACTION OF A UNIT OF STATE GOVERNMENT FROM STATE FUNDS
- 26 APPROPRIATED TO THAT UNIT.
- 27 (3) (I) ON OR BEFORE THE BEGINNING OF EACH FISCAL YEAR,
- 28 THE OFFICE OF LEGISLATIVE AUDITS SHALL:
- 29 1. SPECIFY A PERCENTAGE OF GRANTEES REQUIRED
- 30 TO FILE A REPORT UNDER § 7-406 OF THE STATE FINANCE AND PROCUREMENT
- 31 ARTICLE THAT WILL BE SUBJECT TO AUDIT AND REVIEW; AND
- 32 **2.** REPORT THE SPECIFIED PERCENTAGE TO THE
- 33 LEGISLATIVE POLICY COMMITTEE.

1	(II) EACH FISCAL YEAR, THE OFFICE OF LEGISLATIV
2	AUDITS SHALL AUDIT OR REVIEW THE SPECIFIED PERCENTAGE OF GRANTEE
3	REQUIRED TO FILE A REPORT UNDER § 7–406 OF THE STATE FINANCE AN
4	PROCUREMENT ARTICLE.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 6 June 1, 2009.